SAVE A FAMILY PLAN

FINANCIAL STATEMENTS

MARCH 31, 2013

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Independent Auditors' Report

To the Board of Directors of
Save A Family Plan

Report on the Financial Statements

We have audited the financial statements of Save A Family Plan as at March 31, 2013 which comprise the statement of financial position as at March 31, 2013, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and other fundraising events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these donations and other fundraising events was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expense, assets and net assets balances.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Save A Family Plan as at March 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Hyatt Lassaline LLP

Chartered Accountants, Licensed Public Accountants

2510 Ouellette Avenue, Suite 203
Windsor, Ontario

June 3, 2013

SAVE A FAMILY PLAN
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

	Operating Fund $	Burse Fund $	Total 2013 $	Total 2012 $ (note 2)
ASSETS				
CURRENT ASSETS				
Cash	411,935	86,372	498,307	661,889
Marketable securities (notes 3,5)	3,628,239	4,100,084	7,728,323	7,573,239
Interest receivable	366,491		366,491	336,567
HST receivable	11,254		11,254	10,444
Cash surrender value of life insurance	23,613		23,613	29,216
Prepaid expenses	10,724		10,724	10,724
	4,452,256	4,186,456	8,638,712	8,622,079
CAPITAL ASSETS (note 4)	5,818		5,818	9,827
	4,458,074	4,186,456	8,644,530	8,631,906
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	9,351		9,351	13,966
Deferred CIDA contributions (note 7)	235,693		235,693	
	245,044		245,044	13,966
NET ASSETS				
Unrestricted - uncommitted	463,645		463,645	1,247,701
Unrestricted - committed	3,743,567		3,743,567	3,218,955
	4,207,212		4,207,212	4,466,656
Invested in capital assets	5,818		5,818	9,828
Internally restricted - burse (note 6)		4,186,456	4,186,456	4,141,456
	4,213,030	4,186,456	8,399,486	8,617,940
	4,458,074	4,186,456	8,644,530	8,631,906

APPROVED ON BEHALF OF THE BOARD:

_______________ Director

_______________ Director

SAVE A FAMILY PLAN
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2013

	Operating Fund $	Burse Fund $	Total 2013 $	Total 2012 $ (note 2)
REVENUE				
Donations	3,484,927	45,000	3,529,927	3,845,863
Interest and dividends	299,017		299,017	360,615
Gain (loss) on disposal of investments	80,141		80,141	(61,321)
CIDA/SPED III	436,418		436,418	513,111
	4,300,503	45,000	4,345,503	4,658,268
EXPENDITURES				
Program				
Family Development Program, India	3,165,112		3,165,112	3,277,980
Community Development Programs:				
India - CIDA/SPED III	623,727		623,727	645,644
India - Special Projects	324,332		324,332	237,045
	4,113,171		4,113,171	4,160,669
SAFP programs	25,513		25,513	56
Public engagement, CIDA/SPED III				11,125
Total program expenditures	4,138,684		4,138,684	4,171,850
Administrative				
Administrative overhead, CIDA/SPED III	84,425		84,425	18,248
Administrative costs	361,923		361,923	418,814
Fundraising costs	770		770	733
(Gain) loss on foreign exchange	(3,645)		(3,645)	(787)
Total administrative expenditures	443,473		443,473	437,008
Amortization	4,010		4,010	3,389
	4,586,167		4,586,167	4,612,247
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(285,664)	45,000	(240,664)	46,021

SAVE A FAMILY PLAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2013

	Invested in Capital Assets $	Restricted For Burse $	Unrestricted $	Total 2013 $	Total 2012 $ (note 2)
Balance, beginning of year	9,828	4,141,456	4,466,656	8,617,940	8,113,132
Excess (deficiency) of revenue over expenditures		45,000	(285,664)	(240,664)	46,021
Net change in investment in capital assets	(4,010)		4,010		
"Unrealized increase in market value of securities, cumulative net"			22,210	22,210	458,787
Balance, end of year	5,818	4,186,456	4,207,212	8,399,486	8,617,940

SAVE A FAMILY PLAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013

	Operating Fund $	Burse Fund $	Total 2013 $	Total 2012 $ (note 2)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (deficiency) of revenue over expenditures	(285,664)	45,000	(240,664)	46,021
Non-cash items included in the determination of net earnings (loss):				
Amortization	4,010		4,010	3,389
	(281,654)	45,000	(236,654)	49,410
Changes in non-cash working capital				
Decrease (increase) in interest receivable	(29,924)		(29,924)	96,523
Decrease (increase) in other receivables	(810)		(810)	(4,488)
Decrease (increase) in cash surrender value of life insurance policy	5,603		5,603	(553)
Increase (decrease) in accounts payable and accrued liabilities	(4,616)		(4,616)	962
Increase (decrease) in deferred CIDA contributions	235,693		235,693	
Net changes in non-cash working capital	205,946		205,946	92,444
	(75,708)	45,000	(30,708)	141,854
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease (increase) in marketable securities (net)	(110,084)	(45,000)	(155,084)	188,649
Unrealized increase (decrease) in market value of securities	22,210		22,210	458,787
	(87,874)	(45,000)	(132,874)	647,436
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(163,582)		(163,582)	789,290
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	661,889		661,889	(127,401)
CASH AND CASH EQUIVALENTS, END OF YEAR	498,307		498,307	661,889
Cash and cash equivalents comprised of:				
Cash in bank	498,307		498,307	661,889

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

1. ORGANIZATION

Save A Family Plan is incorporated without share capital under the laws of Canada. It supports sustainable and participatory Family and Community Development Programs in India through partnership with the poor regardless of caste, creed or religious affiliation. It is a registered charity and as such is exempt from income tax.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (ASNFPO)

Effective April 1, 2012, the organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework Canadian accounting standards for not-for-profit organizations. These are the organization's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501 - First-time adoption by not-for-profit organizations have been applied. Section 1501 requires retrospective application of the framework with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and the opening balance sheet as at April 1, 2011, the organization's date of transition.

The organization issued financial statements for the year ending March 31, 2012 using Canadian generally accepted accounting principles prescribed by the CICA Handbook - Accounting (XFI) (Accounting XFI). The adoption of accounting standards for not-for-profit organizations (ASNFPO) resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the organization

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (ASNFPO) (cont'd)

The effect to the opening statement of financial position as at April 1, 2011 of adopting this new framework retrospectively is as follows:

	Accounting XFI $	Transition $	ASNFPO $
ASSETS			
CURRENT ASSETS			
Marketable securities	7,761,888		7,761,888
Interest receivable	433,090		433,090
HST receivable	5,956		5,956
Cash surrender value of life insurance	28,663		28,663
Prepaid expenses	10,724		10,724
	8,240,321		8,240,321
CAPITAL ASSETS	13,216		13,216
	8,253,537		8,253,537
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Bank indebtedness	127,401		127,401
Accounts payable and accrued liabilities	13,005		13,005
	140,406		140,406
NET ASSETS			
Unrestricted - uncommitted	1,123,766		1,123,766
Unrestricted - committed	2,864,185		2,864,185
Invested in capital assets	13,216		13,216
Internally restricted - burse	4,111,964		4,111,964
	8,253,537		8,253,537

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

b) Revenue recognition

Donations are recorded as received using the restricted fund method of accounting for contributions. Interest income is recorded when earned. Revenue from funding organizations is recognized in the period in which the corresponding costs are incurred and is subject to final determination by the funder based on actual expenditures. Any amount which may be repayable for prior year(s) will be adjusted in the future financial statements when any repayment is calculated.

c) Program expenditures

Program expenditures are recorded on an accrual basis for allocation to participating families or developmental projects.

d) Fund accounting

The financial statements of Save A Family Plan are maintained in accordance with principles of fund accounting. Accordingly, all financial transactions have been recorded and reported by the Operating Fund and the Burse Fund.

The Operating Fund accounts for program and administrative costs financed by grants, donations and all investment income.

The Burse Fund accounts for donations received under the burse plan. Donations received subsequent to March 31, 1992 are held in the Burse Fund for a period of twenty years, at which time the funds are transferred to the Operating Fund. Donations received prior to this are retained indefinitely subject to the Board's discretion. Income earned on the Burse Fund is used to directly assist needy families in India with their basic human needs through grass-roots community based micro credit initiatives and income generation projects and is included in the Operating Fund.

The statement of financial position reports all the assets, liabilities and fund balances of both funds. Interfund balances have been eliminated. The statement of changes in net assets reports the revenue and expenditures of each fund.

e) Capital disclosures

Save A Family Plan defines its capital as the amounts included in its net assets. The organization's objective when managing its capital is to safeguard the organization's ability to continue as a going concern so that it can continue to operate in accordance with its charitable purposes. A portion of the organization's capital is internally restricted for the burse fund.

f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to Save A Family Plan's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Computer hardware and software	30%
Equipment	20%
Leasehold improvements	8%

h) Financial instruments

Save A Family Plan's financial instruments consist of cash, marketable securities, interest receivable, other receivables, cash surrender value of life insurance, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that Save A Family Plan is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Except for the marketable securities and cash surrender value as noted below, the fair values of these financial instruments approximate their carrying values due to their short-term nature.

Marketable securities consisting of fixed income securities including bonds and guaranteed investment certificates have been reclassified to available for sale during the year. Save A Family Plan is not trading these for short term profit nor do they have the intention to hold these investments to maturity.

Marketable securities consisting of mutual funds are classified as available for sale because Save A Family Plan is not trading these for short term profit nor do they have a maturity date.

Cash surrender value of life insurance is classified as available for sale because Save A Family Plan does not intend to trade the investments to earn a short-term profit and has not elected to classify these investments as held-for-trading.

Transaction costs directly attributable to the acquisition or issue of a financial asset or liability are added to its book value or fair value accordingly.

The following methods were used to estimate fair market value of these financial instruments at the balance sheet date:

Mutual funds included in marketable securities	Quoted market price
Fixed income securities included in marketable securities	Quoted market price
Cash surrender value of life insurance	Current redemption value

i) Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

4. CAPITAL ASSETS

The following is a summary of the capital assets and accumulated amortization.

	Cost $	Accumulated Amortization $	Net 2013 $	Net 2012 $
Computer software	106,818	106,818		
Computer hardware	58,144	58,144		
Leasehold improvements	29,688	29,163	525	861
Equipment	36,917	31,624	5,293	8,966
	231,567	225,749	5,818	9,827

5. MARKETABLE SECURITIES

Marketable securities are invested in Canada as follows:

	Face value $	Cost $	Market value $
Fixed income securities maturing over the next 5 years as follows:			
2014	1,191,630	1,115,583	1,220,391
2015	344,183	283,810	334,588
2016	462,500	387,338	451,776
2017	814,000	742,261	825,016
2018	800,445	735,705	827,214
Thereafter	1,526,000	1,344,337	1,548,506
Marketable securities		2,451,191	2,520,832
	5,138,758	7,060,225	7,728,323

6. RESTRICTED BURSE FUNDS

Burse funds consist of the following:

	2013 $	2012 $
Prior to 1992	1,434,329	1,434,329
Post 1992	2,752,127	2,707,127
	4,186,456	4,141,456

Interest earned on these funds totaled $132,616 during the year (2012 - $161,688)

7. DEFERRED CONTRIBUTIONS

Deferred CIDA contributions represents funding received in advance for the next fiscal year.

8. PROGRAMS

Save A Family Plan (Canada) exercises significant influence over Save A Family Plan (India) by virtue of its ability to appoint the President of the Board of Trustees of Save A Family Plan (India). Save A Family Plan (India) received payments of $4,070,146 (2012 - $4,152,579) from Save A Family Plan (Canada). These amounts are recorded at the exchanged amount. Save A Family Plan provided funding for sustainable grass-roots family and community based multi-sector programming including: housing, sanitation, education, income generation (entrepreneurial development), natural resource management and conservation (including drinking water systems/water wells and rainwater harvesting, watersheds, organic farming, waste management, pollution control, renewable energy/biogas and solar energy initiatives), gender equality, health and hygiene (including HIV/AIDS, TB and malaria initiatives), capacity building, good governance, human rights, child labour, disaster management and rehabilitation, and micro-credit.

9. CIDA PROGRAM

Save A Family Plan has a contribution agreement until March 31, 2016 with the Canadian International Development Agency (CIDA) wherein CIDA funds 75% of the direct costs of the Sustainability through Participation, Empowerment and Decentralization in India (SPED III) program and Save A Family Plan contributes 25%.

10. CIDA ADMINISTRATION OVERHEAD

Included in revenue from CIDA is funding received for certain administrative costs. The related administrative costs have been reported separately as Administration Overhead.

11. COMMITTED NET ASSETS

This amount represents contributions received and not yet disbursed which are committed for program funding.